

# INCENTIVE POLICIES FOR INVESTMENTS IN DA NANG



# Outline

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**1. Incentives in Da Nang Hi-tech Park**

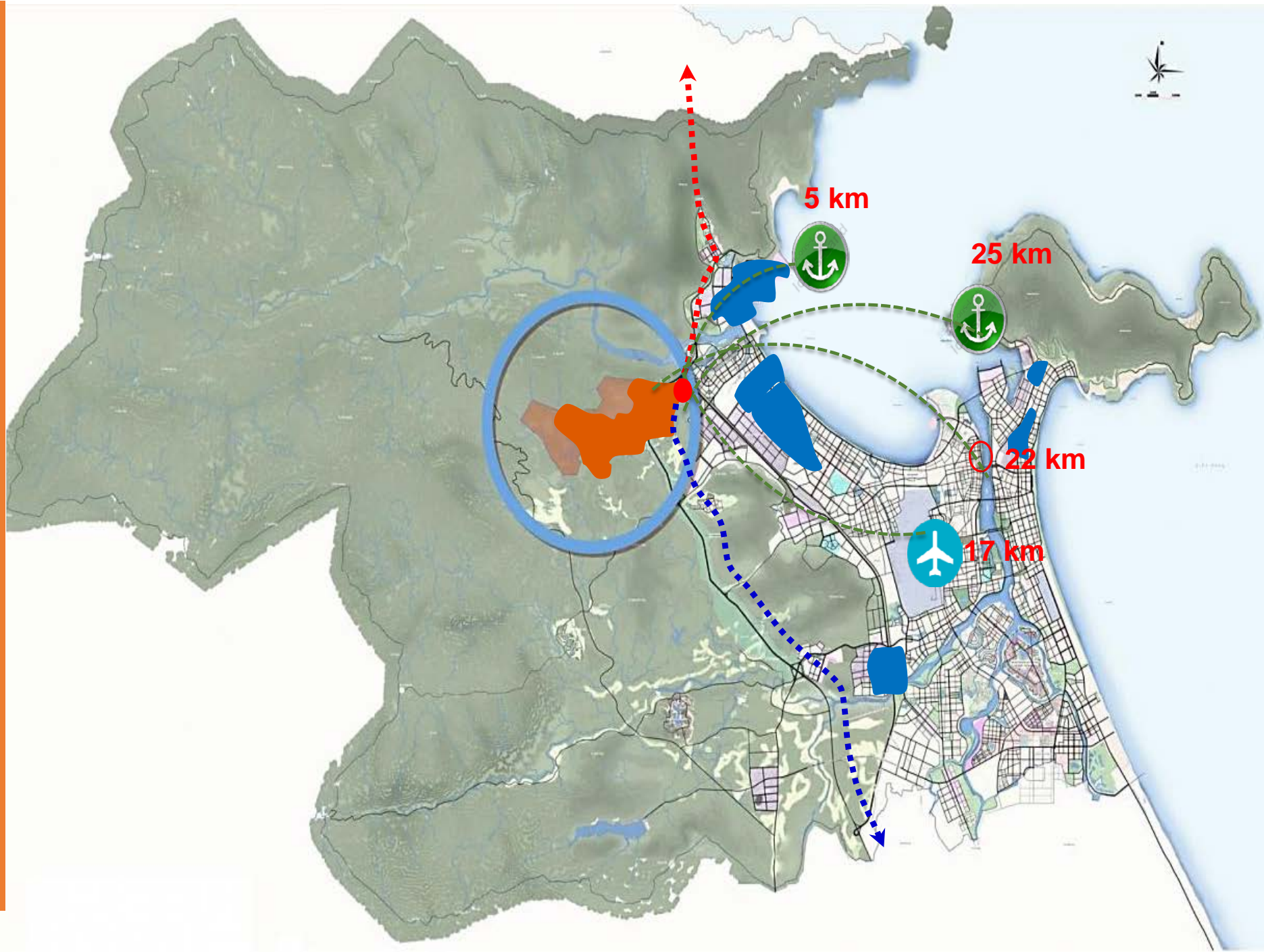
**2. Incentives in Da Nang IT Parks**

**3. Incentives for software export enterprises**

**4. Incentives for supporting industry**

**5. Incentives for development of marina**

Investment incentives in Da Nang Hi-tech Park



## Tax incentives

### □ Corporate income tax



10%

- **10%** for **15 years**
- Tax exemption for **the first 4 years**
- Tax reduction of 50% for **the next 9 years**

\* Projects from **132 million usd**: **10%** for **30 years**

### □ Import tax

- Tax exemption for goods imported to create fixed assets of the project
- Exemption of import tax within 05 years since commencement of production

## Land rents

Exempt for  
the entire  
leasing time

- Projects in the list of domains entitled to **special investment preferences**  
(Hi-tech application, Hi-tech production, Hi-tech incubation, R&D...)

Exempt  
**19**  
years

- Projects in the list of domains entitled to **investment preferences**  
(Investment and commercial operation of: Infrastructure of education and training institutions, logistics, bonded warehouse, tax suspension warehouse...)

Exempt  
**15**  
years

- Other projects  
(Healthcare, cultural activities and other services related to residents' life in DHTP)

**Exemption of the whole  
project life  
(manufacturing projects)**

**29.1 – 59.3  
USD/m<sup>2</sup>/50 years  
(service projects)**

## Infrastructure usage fee

**~0.2**  
USD/m<sup>2</sup>/year

- Projects in R&D, incubation and training
- Projects in the list of hi-tech products and technologies encouraged to develop
- Projects in supporting industries

Off **100%** ← Off **50%**  
The first 2 years      3 years

Off **100%**  
The first 2 years

Off **50%**  
The first 2 years

## Investment support

Recruitment of hi-tech human resource

Facilitation of immigration and residence procedures

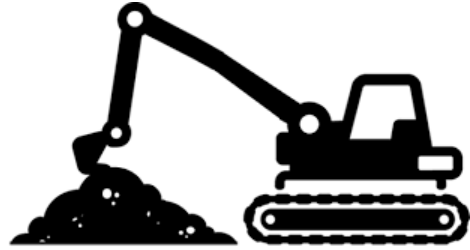
Investment loan arrangement



# Investment incentives in Da Nang IT Parks







- Provision of ground and common infrastructure of IT park
  - 50% off site clearance and resettlement fee.



- Construction of common infrastructure of IT Park
  - Land allocation and 100% off from land usage fee  
*(Domestic organizations and overseas Vietnamese)*
  - Land lease and 100% off from land rental  
*(Foreign companies)*

## Land rents

Exempt for  
the entire  
leasing time

- Projects in building housing for rents for employees

Exempt

**1-3**  
years

- Projects involved in state management operation and land lease
- Projects on the list of sectors entitling to investment incentives

Exempt

**11**  
years

- Projects in the list of sectors entitling to special investment incentives

## Infrastructure usage fee

**Off 100%**

First 02 years

**50%**

Next 03 years

- IT research and development, application and transfer; IT human resource training; IT incubation and IT enterprises

**Off 50%**

First 02 years

- Manufacturing projects of products in electronics – IT sector and supporting industry products

## **Investment support**

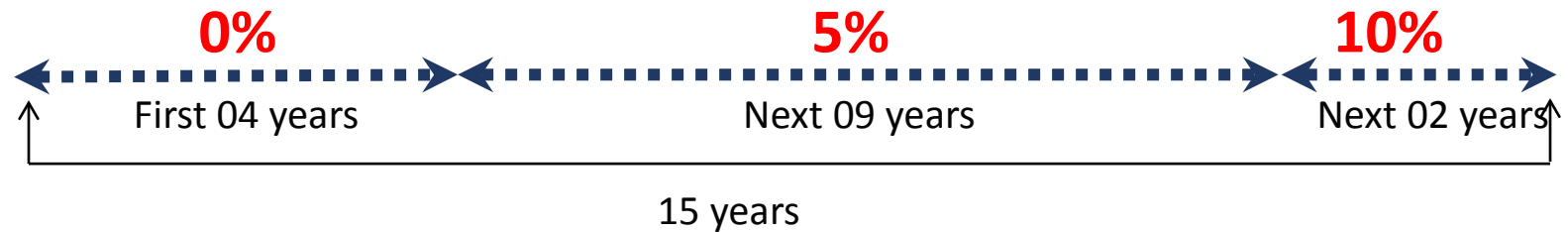
- “One-stop shop” administrative mechanism
- Custom service
- Immigration and residence procedures
- Hi-quality workforce recruitment
- Investment loan arrangement

**Investment  
incentives for  
software export  
enterprises**



# Incentives for software export enterprises

**Corporate  
Income Tax**



*(Source: Circular 74/2014/TT-BTC of Ministry of Finance)*

**Import  
Tax**

**0%** for machinery, equipment and materials used in software production that have not been produced in Vietnam yet

*(Source: Decree No. 134/2016/NĐ-CP of the Government)*

**Personal  
Income Tax**

**50%** reduction on salary-based and wage-based incomes of individuals working in ICT sector

*(Source: Resolution 41/NQ-CP of the Government)*



## Infrastructure

- 20% off office rental in Da Nang Software Park
- 30% off website hosting fees
- 20% off server leasing fee, MAN leasing fees, data storage fees, data security service fees
- 20% off common infrastructure usage fees



## Labor training

- Subsidy for 30% of initial training expense
- Subsidy for CMMI level 3 development



## Sales & promotion

- Subsidy for 100% of registration costs of software copyright protection domestically
- Support in attending international expos



## Investment loans

**Investment  
incentives for  
supporting  
industry**



# 4

## Incentives for supporting industry

- Tax incentives

- Corporate income tax

**10%** for 15 years

- Import tax

- Tax exemption for goods imported to create fixed assets of the project

*(Source: Decree No. 111/2015/ND-CP of the Government)*

- Incentives for SMEs investing in supporting industry products in IPs and clusters



**Infrastructure usage fee**

**Off 50%**  
First 02 years



**Waste water treatment fee**

**Off 50%**  
First 02 years

*(Source: Decision No. 34/2016/QĐ-UBND dated 01/11/2016 by Da Nang PC)*





## R&D

- Subsidize up to 50% cost of trial supporting industrial production, not exceeding USD 13,333/ enterprise
- Subsidize up to 50% of the value of the research equipment investment contract, not exceeding USD 22,222/ enterprise



## Technological transfer, innovation and improvement

- Subsidize up to 75% cost of transferring technology in material manufacturing projects (over 85% of inputs used are domestic mineral products)
- Subsidize up to 50% cost of prototype projects manufacturing products



## Competitiveness enhancement

- Provide funding for setting up quality management system
- Provide funding for domestic and international trademark registration



## Human resource development

- Provide monthly allowance of up to USD 23/ employee (no more than 50 employees/enterprise) and a maximum 03 month training period



## Market expansion and trade promotion

- Provide funding for participating in domestic and international expos
- Provide up to 50% funding for market access and services charges of foreign relations contract, not exceeding USD 888/ contract and 02 times / project
- Free advertising, introduction of products on the Portal of Da Nang City, Department of Industry and Trade and IPA Da Nang
- Provide full funding for setting up website, not exceeding USD 444/project



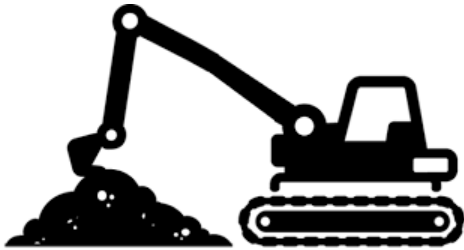
## Investment loans

- Enjoy special preferential interest rates from the Da Nang Development Investment Fund, Da Nang Environmental Protection Fund
- Have priority loans of up to 70% of investment capital at credit institutions guaranteed by the Da Nang Credit Guarantee Fund for SMEs

Investment  
incentives for  
development  
of marina



## ▪ Infrastructure

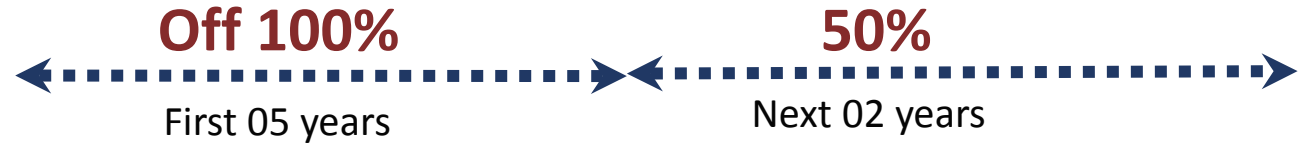


- Entitled to the usage and exploitation of wharves and harbors
- Entitled to the usage of roadside, the ground and the water surface for passenger pick up and drop off
- Receive ready-to-use ground (*100% privately-financed project*)

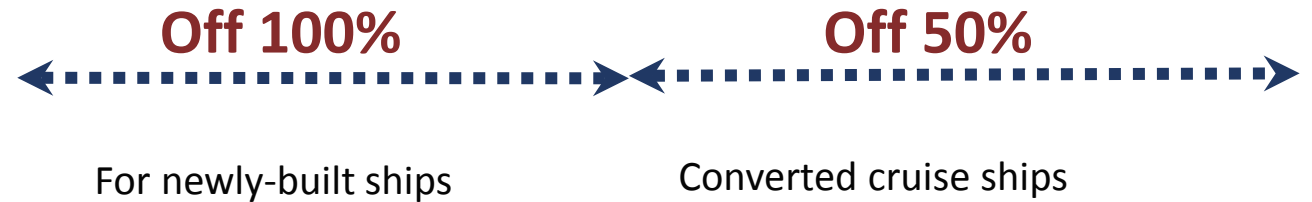
# Incentives for development of marina



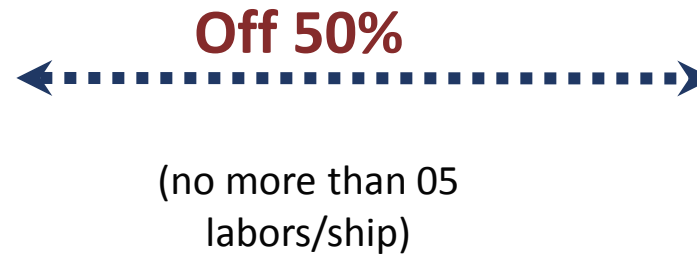
**Wharf and harbors  
usage fee**



**Hull insurance  
premium  
(first 2 years)**



**Accident  
insurance  
(first 2 years)**



**Once-off 100% allowance for purchase of on-board lifebuoys**



## Labor training

- Subsidize captain and chief engineer training expense, not exceeding USD 66/person (USD 444/ship)



## Brand promotion

- Support in city tourism propaganda
- 100% exemption from usage fee for waterway marketing for the first 03 years of operation



## Investment loans

**For more information, please contact**

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Thank you!

